

Foreword

This report presents findings of the personal transfers survey of 2014. The survey was the eighth in a series of annual surveys jointly conducted by Bank of Uganda and Uganda Bureau of Statistics. The survey was intended to determine the size of cash and in-kind personal transfers, characteristics, channels used and usage of transfers received by households.

The survey findings indicated that total personal transfers received in 2014 amounted to US\$885.9 million which is about 3.3 percent of Uganda's GDP. The amount reflects a decrease of 4.9 percent compared to US\$931.6 million estimated for 2013. The slight decrease in personal transfers reflects the downward slide in economic prospects of most economies from which the personal transfers are sent compared to the previous year.

Bank of Uganda acknowledges and appreciates the valuable input of its key stakeholders; the public that responded to the survey, government agencies, the media and field staff. The public should rest assured that the information collected through the survey on personal transfers is used for statistical purposes only, treated as strictly confidential and published in aggregate format.

Management

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Acronyms

BOP	Balance of Payments
BOU	Bank of Uganda
EA	Enumeration Area
GDP	Gross Domestic Product
HH	Household
MTO	Money Transfer Operator
PPS	Probability-Proportional-to-Size
UBOS	Uganda Bureau of Statistics
UNHS	Uganda National Household Survey
EAC	East African Community
AML/CTF	Anti-money Laundering and Counter Terrorism Financing

Definitions

Balance of Payments:	A statistical statement that systematically summarises, for a given time period, an economy's transactions (inflows and outflows) with the rest of the world.
Commercial Banks:	A company licensed under the Financial Institution Act 2004 to carry out financial institution business as its principal business in Uganda.
Enumeration Area:	Local Council 1 which is also the smallest local government administrative unit.
Household:	A group of people who normally live and eat together, usually a family living in the same house or compound.
In-kind Personal Transfers:	Physical items other than cash sent or received by resident households to or from nonresident households.
Money Transfer Operator:	A company authorized to engage in money transfer services.
Personal Transfers:	Represent household income from foreign economies arising from the temporary or permanent movement of people to those economies. Consist of all current transfers in cash or in kind sent or received by resident households to or from nonresident households.
Rural Area:	As gazetted by the Ministry of Local Government.
Remitter:	The person who makes personal transfers (cash or in-kind), usually, a Ugandan living abroad.
Urban Area:	As gazetted by the Ministry of Local Government.

Executive Summary

The focus of the Personal Transfers survey was to establish; the size of cash and in-kind personal transfers received, their characteristics, transfer channels used to remit the funds and the usage of the personal transfers by the recipients during 2014.

The target respondents for the Annual Personal Transfers Survey (APTS) of 2014 were all recipient households in the selected Enumeration Areas (EAs). A two stage sampling design with EAs as primary sampling units and households as second stage units was used. Data collection was carried out through interviews of 647 household heads and was conducted during the months of February and March 2015.

Remitters' Profile and Estimates

The results revealed that 38.0 percent of the recipient households received personal transfers from their siblings while 13.9 percent received from their children.

Most remitters (70.1 percent) had lived abroad for periods not exceeding 10 years. The majority (83.8 percent) of remitters were reported to have attained at least secondary school education (Ordinary level). Of these, 37.2 percent were degree holders. The results further indicated that most remitters were based in Africa (46.6 percent), Europe (23.7 percent) and North America (18.6 percent) while 7.4 percent and 3.6 percent were based in Middle East and Australasia respectively.

Overall, 79.0 percent of recipient households received cash personal transfers while 9.9 percent received items in kind. The rest, (11.1 percent), received both cash and in-kind personal transfers.

Transfer Channels

Consistent with the survey results of previous years, International Money Transfer Operators (Western Union and Moneygram) were the most popular channels as reported by 40.5 percent of the recipient households. Ease of access was a major consideration in the choice of channel as reported by 36.2 percent of the households. However, most households (49.2 percent) indicated that the transfer channels were pre-determined by the remitter.

Total Personal Transfers Received in 2014

Total personal transfers received in 2014 were estimated at US\$885.9 million equivalent to 3.3 percent of GDP. The amount reflects a decrease of 4.9 percent compared to the US\$931.6 million estimated for 2013. In shillings terms, total personal transfers in 2014 were estimated at UGX 2,303 billion. This was a decrease of 4.4 percent compared to the estimate of UGX 2,409 billion of 2013. The decline in total transfers was largely attributed to lower in-kind receipts, which dropped by 5.8 percent when compared to 2013. The reduced cash transfers from North America, Middle East and Europe also contributed to the decline.

The major sources of personal transfers were Africa (31.4 percent) predominated by South Sudan and South Africa, Europe (29.4 percent) led by United Kingdom and North America (23.0 percent) majorly United States of America. Most personal transfers (90.1 percent) were sent to households located in urban areas; this could be attributed to the fact that most financial institutions are located in urban areas.

Cash Personal Transfers

Personal transfers received in cash were estimated at US\$752.2 million or 84.9 percent of the total received. Kampala region accounted for the largest share estimated at 37.2 percent of the total cash receipts. About 50.8 percent of recipient households were reported to have received personal transfers once during 2014, while 17.3 percent received twice during the same period.

Overall, 77.7 percent of cash personal transfers were received through formal channels; this was an increase of 10.5 percentage points from the 2013 survey findings.

Usage of Cash Personal Transfers

The bulk of personal transfer receipts during 2014 were used for consumption (73.5 percent). Generally, household expenses and education were the most common expenditure categories, with about half of the cash received reported to have been spent on items in these groups. Non-consumption expenditures accounted for 22.3 percent, most of which was covered building works and business related activities.

Personal Transfers In-Kind

Personal transfers in kind were estimated at US\$133.7 million representing about 15.1 percent of total personal transfers received in 2014. The majority of in-kind transfers consisted of clothing and footwear items with a value of US\$52.4m (or 39.2percent) followed by transport and communication¹ items worth US\$43.8m (or 32.7 percent). Similar to cash personal transfers, the bulk of in-kind transfers were received from Africa US\$46.9m (35.1 percent). Europe had a contribution of items worth US\$43.5m (32.5 percent) while items worth US\$24.5m (18.3 percent) were from North America.

Conclusion

Personal transfers have tremendous potential for promoting economic development by improving the welfare of the recipients as well as financing economic activities.

At the macro level, personal transfers continued to be an important source of foreign exchange for the country while at the household level, the transfers provided a reliable source of resources for consumption as evidenced by the 73.5 percent use. The survey results indicate that the formal sector mechanism was mostly used to send personal transfers, mainly because of availability and convenience of the option.

¹ Communication includes gadgets used for telecommunication such as television and phone sets

PART 1: INTRODUCTION

This Personal Transfers 2014 Survey was the eighth annual personal transfers' survey jointly undertaken by Bank of Uganda (BOU) and Uganda Bureau of Statistics (UBOS) to provide a reliable estimate of the annual personal transfers to Uganda. Field activities were conducted in the months of February and March 2015.

1.1 Compilation of Personal Transfer in the Balance of Payments (BOP)

Remittances represent a contribution to domestic household income from foreign economies arising from the temporary or permanent movement of individuals to those foreign economies. The two items in the balance of payments that substantially relate to remittances are compensation of employees and personal transfers.

Compensation of employees refers to the income of border, seasonal and other short term workers working in an economy where they are not resident; or those employed by non-resident entities such as embassies, international organizations and nonresident companies; and represents remuneration for provision of labour to the host economy.

Personal transfers on the other hand consist of all "current transfers" in cash or in-kind sent or received by resident households to or from non-resident households. Previously, the term "workers' remittances" was used to describe such "current transfers".

The Personal Transfers survey was aimed at compiling statistics on inward and outward transfers between resident households in Uganda and non-residents during 2014 through various transmission channels.

This chapter highlights the objectives of the study, methodology and global personal transfers trends and developments.

1.2 Survey Objectives

The overall objective of the survey was to collect data on personal transfers for Balance of Payments compilation purposes. The specific objectives of the survey were to;

1. Establish an estimate of the total value of personal transfers (inward and outward) during 2014 for compilation of BOP statistics.
2. Assess characteristics of senders of personal transfers.
3. Determine the attributes of personal transfers.
4. Establish the usage of the respective transfers.

1.3 Methodology

The methodology used involved questionnaires and direct interviews conducted by enumerators trained jointly by Bank of Uganda (BOU) and Uganda Bureau of Statistics (UBOS).

The survey covered a total of 300 Enumeration Areas (EAs) spread across the country selected using a two-stage sampling design. At the first stage, primary sampling units (EAs) were selected using Probability Proportional to Size (PPS)² as per the 2014 Population and Housing Census List of Enumeration Areas.

The second stage entailed selection of all households within each enumeration area that either received or remitted funds or items in-kind as established during the household listing exercise.

The sample allocation was distributed into five strata namely; Kampala, Central Region, Eastern Region, Northern Region and Western Region; and the distribution of the 300 Enumeration Areas among the strata is shown in the Table 1 below.

Table 1: Sample Allocation by Stratum

Region	Urban	Rural	Grand Total	Percent
Northern	21	24	45	15.0
Eastern	34	25	59	19.7
Western	42	23	65	21.7
Central	51	21	72	24.0
Kampala	59	-	59	19.7
Grand Total	207	93	300	100

Source: Statistics Department, Bank of Uganda

² The PPS method implies that EAs with bigger number of households stood a higher chance of being selected in the sample.

For purposes of capacity building and equipping individuals involved in conducting the survey with the requisite skills, all supervisors and interviewers were trained prior to the commencement of personal transfers survey³. The training workshop addressed both technical and practical aspects of the survey. Areas covered included; balance of payments concepts, listing definitions and concepts, the survey instruments, field practice, editing, and role play. Emphasis was put on handling a systematic survey and finding solutions to challenges experienced during the previous survey exercises.

A country-wide public awareness and sensitization drive was carried out via the major print media and through radio announcements.

A complete listing exercise was done in all selected EAs. It involved recording of all households located within the EA boundaries to establish the number of households in the selected EAs. During the listing exercise, care was taken to record every household as a recipient, remitter or neither of the two. Interviews were conducted with household heads of all recipient and remitting households in the EA. Field activities were conducted during the months of February and March 2015. The main instrument of data collection was the household questionnaire⁴.

Data was captured using CSPro and analysed using STATA and Microsoft Excel.

1.4 Global Personal Transfer Flows in 2014

To some Developing Economies, remittances represent a sizable and stable source of funds that sometimes exceed official aid or financial inflows from foreign direct investment. As such remittances may have a significant impact on poverty reduction and can finance economic growth in receiving economies.

However, according to the Global Forum on Remittances and Development (17-19 June 2015, Europe); remittances are private funds; they are neither a development strategy nor a

³ The survey team is provided in appendix I

⁴ (https://www.bou.or.ug/bou/publications_research/personal_transfers.html)

replacement for development assistance. The Forum further advised that Development Institutions should focus their efforts to provide migrants and their families with financial options and tools to allow them to best manage and maximize the impact of their funds. It was argued that this would empower recipient families and advance them on the road to financial independence.

The World Bank's Migration and Development Brief²⁴ indicated that, remittances to developing countries were estimated at US\$436 billion in 2014, an increase of 4.4 percent over the previous year. Global remittance flows, including those to high income countries were estimated US\$583 billion in 2014.

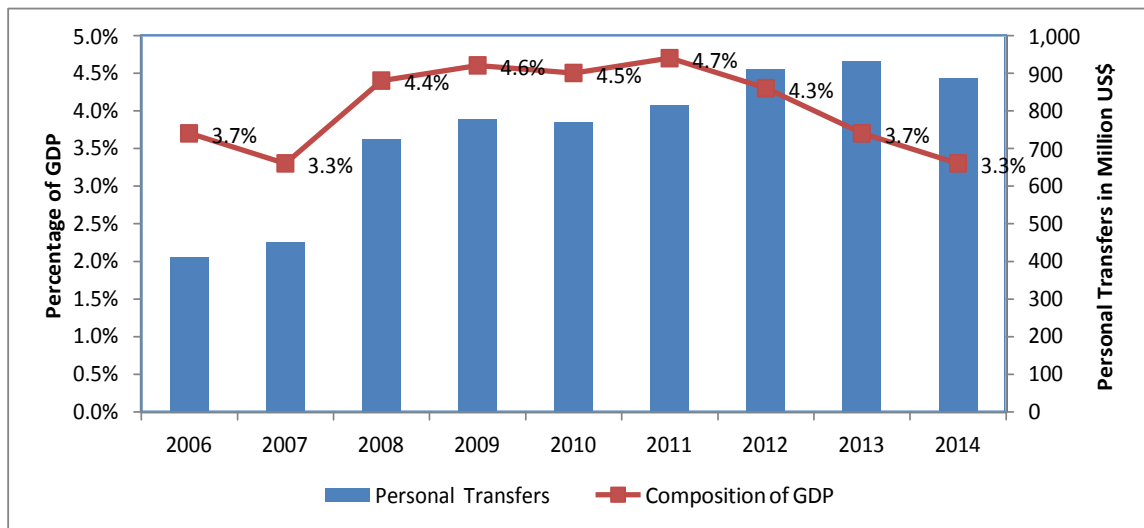
However, growth in global remittances, including those to developing countries is expected to be moderate at about 0.9 percent to US\$ 440 billion in 2015, due to weak economic growth in Europe, deterioration of the Russian economy and the depreciation of the Euro and Ruble (*World Bank's Migration and Development Brief 24*). The slowdown will also affect the Middle-East, North Africa and Sub-Saharan Africa.

Remittances are expected to recover in 2016 to reach US\$479 billion by 2017, in line with the more positive global economic outlook. The average costs for sending money remained broadly at about 8 percent of the value sent in the fourth quarter of 2014, with the highest average cost (about 12 percent) in Sub-Saharan Africa (*World Bank's Migration and Development Brief 24*)

1.5 Trend of Personal Transfers to Uganda as a Share of BOP

As illustrated in Figure 1, total personal transfers received during 2014 were estimated at US\$ 885.9 million which was about 3.3 percent of GDP. The amount reflects a decrease of 4.9 percent compared to US\$931.5 million estimated in 2013. This also indicates a decline of 0.4 percent in personal transfers as a share to GDP from 3.7 percent in 2013.

Figure 1: Inward Personal Transfers to Uganda as a Share of GDP



Source: Statistics Department, Bank of Uganda

1.6 Organisation of the Report

The preceding part provided a brief background to the survey. Part 2 presents and discusses the findings, while Part 3 summarises the major findings and concludes.

PART 2: MAIN FINDINGS

2.0 Introduction

The main findings of the personal transfers received in 2014 are presented in this chapter. It includes estimates of total personal transfers received in both cash and in-kind, channels and the usage of cash transfers received.

2.1 Background Information

The survey targeted a total of 737 respondent households of which 90.2 percent were located in urban areas and 9.8 percent in the rural areas. On a regional basis, Kampala region contributed the largest share of households (27.1 percent) followed by Central region (22.7 percent) and Western (17.6 percent) as shown in Table 2.

Table 2: Number of Respondent Households by Region

Region	Urban	Rural	Grand Total	Percent
Northern	114	10	124	16.8
Eastern	90	26	116	15.7
Western	121	9	130	17.6
Central	140	27	167	22.7
Kampala	200	0	200	27.1
Grand Total	665	72	737	100

Source: Statistics Department, Bank of Uganda

2.2 Inward Personal Transfers

The inward personal transfers recipients in 2014 were predominantly based in urban areas (90.1 percent) while the rural areas accounted for only 9.9 percent of all recipient households. This is consistent with previous survey findings which indicated that inward personal transfers are mainly an urban phenomenon.

The distribution of recipient households by region showed that Kampala accounted for 28.1 percent followed by the Central (24.1 percent) and Western (16.5 percent) regions, as broken down in Table 3.

Table 3: Number of Recipient Households by Region

Region	Urban	Rural	Grand Total	Percent
Northern	92	9	101	15.6
Eastern	78	23	101	15.6
Western	100	7	107	16.5
Central	131	25	156	24.1
Kampala	182	0	182	28.1
Grand Total	583	64	647	100

Source: Statistics Department, Bank of Uganda

2.3 Number of Remitters

The findings revealed that 80.5 percent of the recipient households received personal transfers from one remitter, while 12.4 percent of the households received from two remitters. The maximum number of remitters reported by a single household was 12. Further details are provided in Table 4 below. The estimated number of remitters during 2014 for the 647 recipient households was 850.

Table 4: Number of Remitters by Household

No. of remitters	No. of HH	Percent	Total Remitters
1	521	80.5	521
2	80	12.4	160
3	28	4.5	84
4	14	2.2	56
5	2	0.3	10
6	0	0	0
7	1	0.2	7
8	0	0	0
9	0	0	0
10	0	0	0
11	0	0	0
12	1	0.2	12
Total	647	100	850

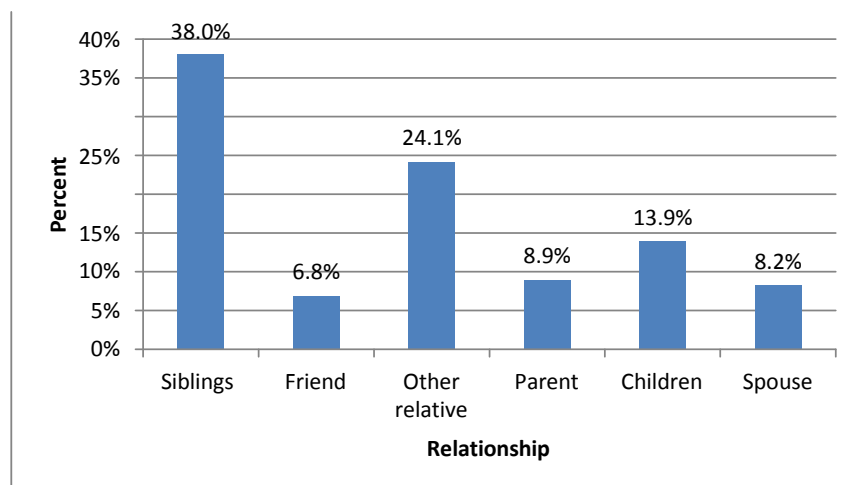
Source: Statistics Department, Bank of Uganda

2.4 Relationships Between Senders and Recipients

Relations between migrants and the household heads play a vital role in the decision to remit. The survey findings showed that most of the remitters (38.0 percent) were siblings of the

household head followed by other relatives (24.1 percent) and children (13.9 percent). Figure 2 below shows the distribution of the household head’s relationship with the remitter.

Figure 2: Household Head’s Relationship to Remitter



Source: Statistics Department, Bank of Uganda

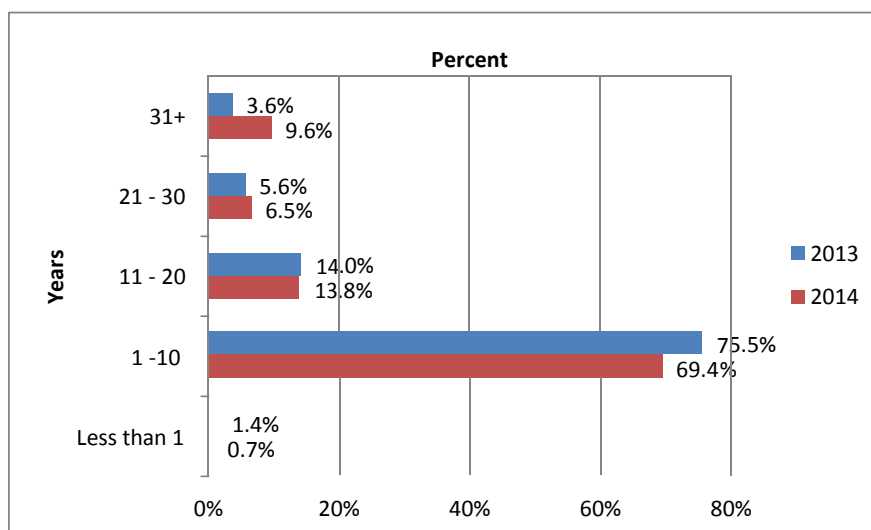
2.5 Profile of Remitters

In this section, the profile of remitters in terms of duration of stay abroad, age, gender, education, marital status and residence among others is presented.

2.5.1 Duration of Remitter’s Stay Abroad

The majority of remitters (69.4 percent) were reported to have lived abroad for a period of 1-10 years compared to 75.5 percent in 2013 while about 30 percent of the remitters had lived abroad for more than 10 years compared to about 23 percent in 2013 as highlighted in Figure 3.

Figure 3: Period of Stay Abroad (in completed years) of the Remitters



Source: Statistics Department, Bank of Uganda

2.5.2 Age and Gender of Remitters

The age group 30 - 39 years registered the highest remitters accounting for 39.0 percent of all remitters, followed by the age groups of 20-29 with 22.9 percent and 40-49 with 20.7 percent, respectively. The age distribution indicates that senders are in the youthful age group.

In respect to gender, male remitters dominated in the various age groups. In the period under review, 61.5 percent of the remitters were male while 38.5 percent were female as shown in Table 5 below.

Table 5: Percentage Distribution of Remitters by Age and Gender

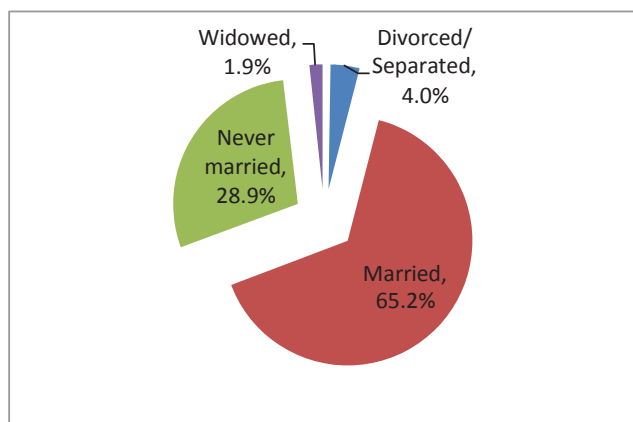
Age in completed years	Sex of Remitter		Total (Percent)
	Female	Male	
Less than 20	0.9	0.5	1.4
20-29	9.4	13.5	22.9
30-39	14.4	24.6	39.0
40-49	6.8	13.9	20.7
50-59	4.5	6.2	10.7
60-69	2.0	2.1	4.1
70+	0.5	0.7	1.2
Total	38.5	61.5	100

Source: Statistics Department, Bank of Uganda

2.5.3 Marital Status of the Remitters

The survey findings showed that the bulk of the remitters (65.2 percent) were married, followed by those that had never been married at 28.9 percent as indicated in Figure 4 below. This suggests that most of the remitters are settled in the economies where they reside.

Figure 4: Marital Status of Remitters

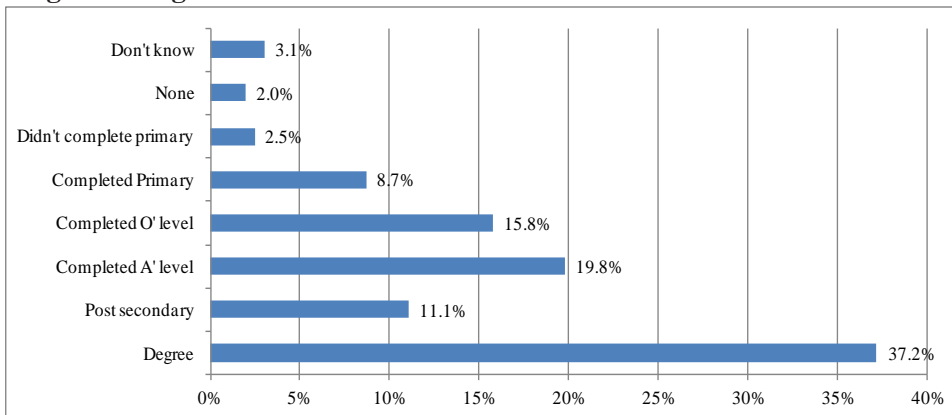


Source: Statistics Department, Bank of Uganda

2.5.4 Level of Education of the Remitters

With regard to the education level, the survey revealed that 83.8 percent of remitters had attained the Uganda Certificate of Education–Ordinary Level (or its equivalent qualification) or higher qualifications. About 37.2 percent of remitters were graduates with a degree while only a small proportion of remitters (2.5 percent) had not completed primary education as shown in Figure 5. These findings amplify previous findings which indicated 70.5 percent highlighting brain drain and limited employment opportunities.

Figure 5: Highest Level of Education of the Remitter



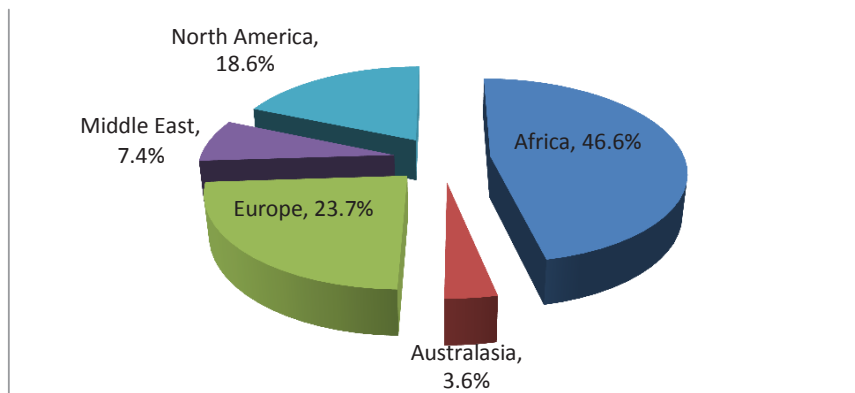
Source: Statistics Department, Bank of Uganda

2.5.5 Region of Residence

The largest proportion of remitters was resident in Africa (with the major host countries being DRC, Kenya, South Africa and South Sudan) with 46.6 percent, followed by Europe (Germany, United Kingdom) with 23.7 percent and North America (United States of America) with 18.6 percent. The Middle East (United Arab Emirates) and Australasia (Australia) regions had the least number of remitters accounting for only 7.4 percent and 3.6 percent of all remitters respectively.

The distribution of remitters by region is illustrated in Figure 6 below.

Figure 6: Residence of Remitters by Region

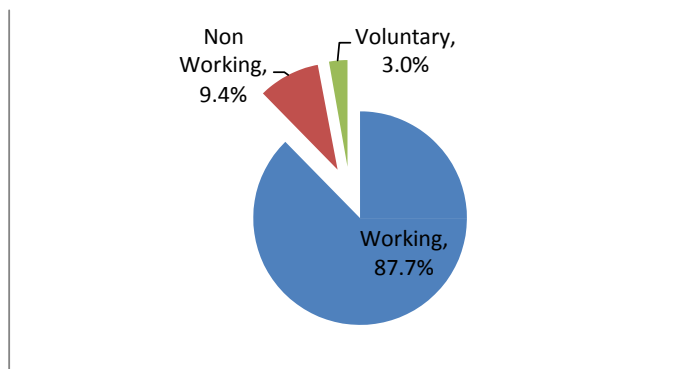


Source: Statistics Department, Bank of Uganda

2.5.6 Labour Status of Remitters

Figure 7 below shows that the majority of remitters, 87.7 percent, were employed and working while 12.4 percent, of remitters were reported not to be engaged in gainful employment.

Figure 7: Labour Status of Remitters

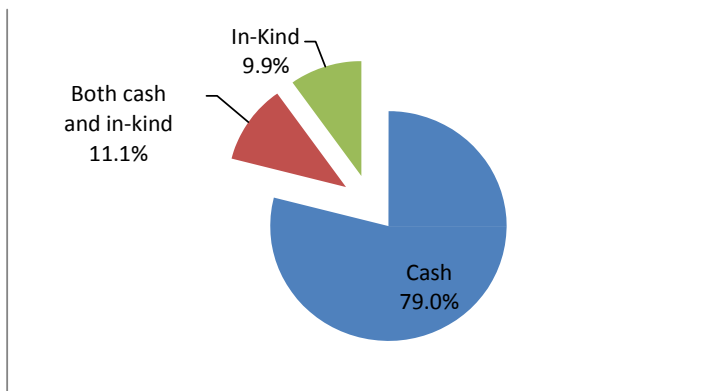


Source: Statistics Department, Bank of Uganda

2.6 Personal Transfers Received in 2014

The two types of personal transfers reported by the recipient households in the survey were cash and in-kind items. The majority of recipient households, 79 percent, reported that they received only cash transfers while 9.9 percent reported that they received only in-kind transfers. However, 11.1 percent of the respondents received both cash and in-kind transfers as highlighted in the Figure 8 below.

Figure 8: Type of Transfers



Source: Statistics Department, Bank of Uganda

2.7 Cash Transfers

Personal transfers received in cash were estimated at US\$752.2 million or 84.9 percent of the total transfers received in 2014. Kampala and Central regions registered the highest concentration of recipient households accounting for 66.3 percent of total cash transfers as illustrated in Table 6 below.

Table 6: Regional Distribution of Cash Transfers (million USD)

Region	Settlement			Percent
	Urban	Rural	Grand Total	
Central	179.0	40.0	219.0	29.1
Eastern	97.0	10.5	107.5	14.3
Kampala	280.0	-	280.0	37.2
Northern	30.6	1.2	31.8	4.2
Western	109.1	4.8	114.0	15.1
Grand Total	695.7	56.5	752.2	100
Percent	92.5	7.5	100	

Source: Statistics Department, Bank of Uganda

In line with previous survey findings, personal transfers continued to be an urban phenomenon with 92.5 percent of the total cash receipts received by households residing in urban areas compared to 94.7 percent in 2013.

2.7.1 Sources of Cash Transfers

Africa, Europe and North America, were the main sources of cash transfers jointly accounting for 83.4 percent of total cash receipts in 2014. Africa registered the largest share of cash transfers estimated at US\$231.4 million (or 30.8 percent), followed by Europe with US\$217.0 million (or 28.9 percent) and North America with total flows of US\$179.0 million (or 23.8 percent) as indicated in Table 7.

Table 7: Source of Cash Transfers

Region	Amount (US\$ Million)	Percent
Africa	231.4	30.8
Australasia	52.2	6.9
Europe	217.0	28.9
Middle East	72.6	9.7
North America	179.0	23.8
Grand Total	752.2	100

Source: Statistics Department, Bank of Uganda

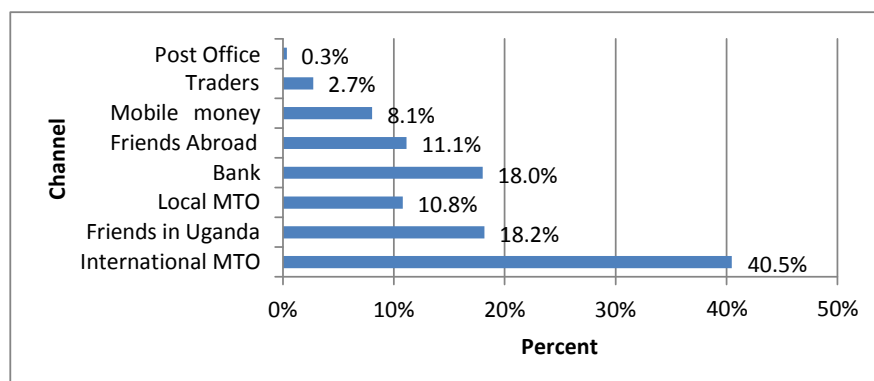
2.7.2 Cash Transfer Channels by Households

Households received transfers through both formal and informal channels. The formal channels through which transfers were received included; Money Transfers Operators (MTOs), Local and International banks and the Post Office; while all other channels considered informal included; friends, relatives and traders/shopping outlets.

As shown in Figure 9 below, majority of the households (77.7 percent) received transfers through formal channels, dominated by International MTOs with a share of 40.5 percent followed by bank accounts with a share of 18.0 percent of recipient households. The informal channels usage had a share of 32.1 percent of the recipients with friends in Uganda as the main category, with a share of 18.2 percent and friends abroad with a share of 11.1 percent.

Use of formal channels for cash transfers increased from a share of 70.3 percent in 2013 to a share of 77.7 percent in 2014.

Figure 9: Use of Cash Transfer Channels by Household



Source: Statistics Department, Bank of Uganda

2.7.3 Cash Transfer Channels by Value

Cash transfers through formal channels by value decreased by 0.3 percent from 87.2 percent in 2013 to 86.9 percent in 2014.

The distribution of cash transfers channels by value showed that 86.9 percent of total transfers were through the formal sector of which the largest contributor was International MTOs valued at US\$324.1 million (or 43.1 percent). This was followed by bank account at US\$260.1 million (or 34.6 percent) and friends in Uganda with US\$61.2 million (or 8.1 percent). The detailed breakdown on the distribution of use of cash transfers through formal and informal channels is shown in Table 8 below.

Table 8: Use of Cash Transfer Channels by Value

	Channel	Amount (US\$ Million)	Percent
Formal	International MTO	324.1	43.1
	Bank Account	260.1	34.6
	Local MTO	46.2	6.1
	Mobile Money ⁵	22.9	3.0
	Post Office	0.2	0.0
	Sub total	653.5	86.9
Informal	Friends in Uganda	61.2	8.1
	Friends abroad	34.2	4.6
	Traders	3.2	0.4
	Sub total	98.7	13.1
	Total	752.2	100.0

Source: Statistics Department, Bank of Uganda

2.7.4 Reason for Choosing the Channel Used

The majority of recipient households (49.2 percent) reported that the remitters often choose the transfer channels used to remit the funds. The other major reasons advanced for the choice of one channel over the other were ease of access and favorable transaction charges as shown in Table 9.

⁵ Mobile money in this context means that the final recipients received cash transfers through this channel even though it could have been sent through other channels such as bank account and international MTO.

Table 9: Reason for Use of Channel

Channel	Reason for use (%)						Grand Total
	Easy Access	Favorable exchange rate	Favorable transaction charges	Prompt Services	Security/safety	Sender's Choice	
International MTO	10.1	0.3	7.7	1.2	0.5	20.6	40.5
Friends in Uganda	6.9	-	2.2	0.5	0.3	8.2	18.2
Local MTO	4.1	-	2.6	-	0.2	3.9	10.8
Bank	7.0	-	5.1	0.7	0.9	4.3	18.0
Friends Abroad	2.4	0.2	0.3	0.5	-	7.7	11.1
Mobile money	4.3	-	0.9	0.2	-	2.7	8.1
Traders	1.0	-	-	-	-	1.7	2.7
Post Office	0.3	-	-	-	-	-	0.3
Grand Total	36.2	0.5	18.9	3.1	1.9	49.2	

Source: Statistics Department, Bank of Uganda

2.7.5 Level of Satisfaction with the Channels

The various channels through which recipient households received personal transfers were rated to ascertain respondents' level of satisfaction with the service. Overall, the majority of recipient households (80.3 percent) were very satisfied with the channels used. However, about 4.1 percent of the recipient households expressed some level of dissatisfaction with the channels. The ratings of satisfaction in the various channels are shown in Table 10 below.

Table 10: Rating of Transfer Channels

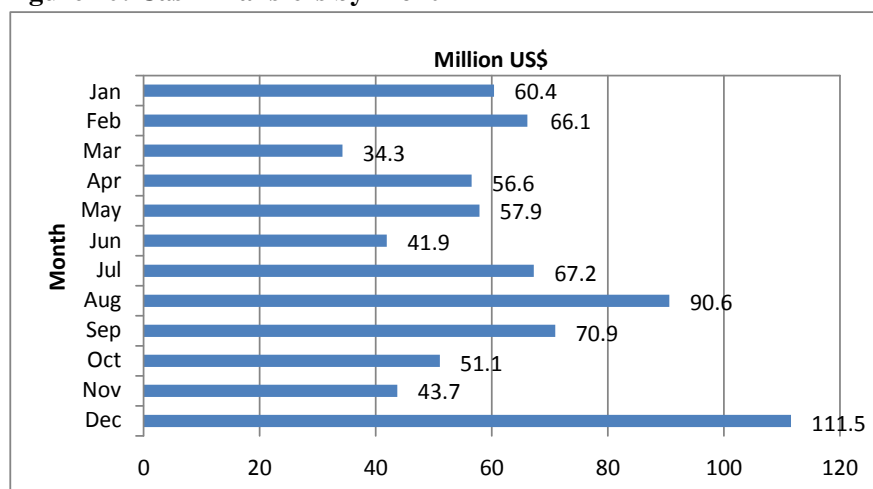
Channel	Satisfaction (%)				Grand Total
	Very dissatisfied	Somewhat dissatisfied	Somewhat satisfied	Very satisfied	
International MTO	0.9	2.2	7.9	29.5	40.5
Friends in Uganda	0.3	0.5	5.1	12.2	18.2
Local MTO	-	0.3	2.4	8.1	10.8
Bank	0.0	0.2	2.9	14.9	18.0
Friends Abroad	0.5	0.5	2.9	7.2	11.1
Mobile money	0.0	0.2	1.2	6.7	8.1
Traders	0.2	0.2	1.0	1.4	2.7
Post Office	0.0	0.0	0.0	0.3	0.3
Grand Total	1.9	4.1	23.5	80.3	

Source: Statistics Department, Bank of Uganda

2.7.6 Flow Pattern of Cash Transfers

Respondents were asked to declare the month of the year in which cash transfers were received for purposes of tracking the monthly pattern of personal transfers. The months with the highest cash transfers were December and August with US\$111.5 million and US\$90.6 million respectively, which showed a decrease of 23.2 percent and an increase of 0.2 percent when compared to 2013. August coincides with the beginning of the third term for primary and secondary schools and first semester for most tertiary institutions while December is the festive season. This could explain why the two months had the highest transfers. The average monthly cash receipts were estimated at US\$62.7 million which was a decrease of 4.7 percent when compared to that of 2013. Notably, the months of February, July and September also recorded high inflows exceeding US\$60 million.

Figure 10: Cash Transfers by Month

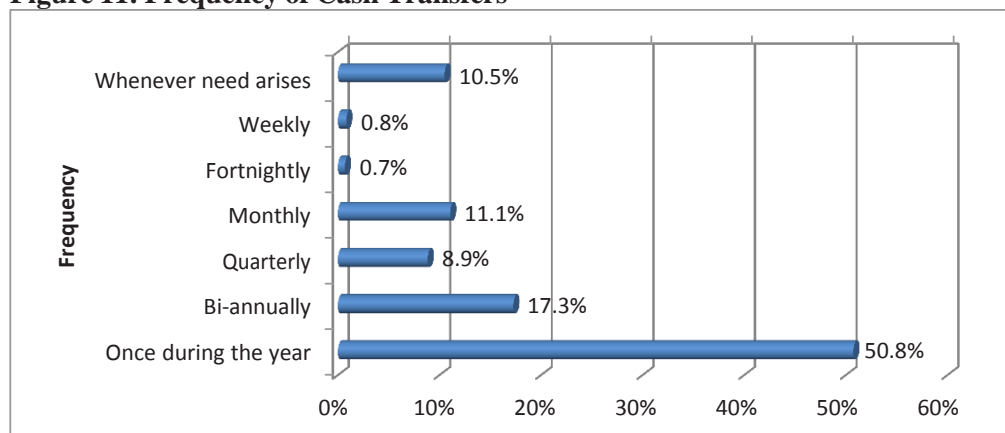


Source: Statistics Department, Bank of Uganda

2.7.7 Frequency of Cash Transfer Receipts

Recipient households were asked to indicate how often they received cash transfers during 2014. The majority of households, 50.8 percent, received transfers only once during the year, while 17.3 percent received twice during the year which was a decrease of 4.7 percent and 1.1 percent respectively when compared to 2013. One out of every five households (20 percent) received cash transfers at fairly regular intervals i.e. monthly or quarterly.

Figure 11: Frequency of Cash Transfers



Source: Statistics Department, Bank of Uganda

2.7.8 Use of Cash Transfers

The use of cash transfers was grouped into three main expenditure categories namely consumption, non-consumption and transfer to other households.

The bulk of cash transfers receipts during 2014 were used for consumption (73.5 percent). Generally, household expenses (US\$252.2 million) and education (US\$207.5 million) were the most common expenditure categories, with about half of the cash received reported to have been spent on items in these groups. Non-consumption expenditures accounted for 22.3 percent, most of which was spent on building works (US\$67.3 million), business related activities (US\$56.0 million) and land purchase (US\$28.6 million). Transfers to other households, amounted to US\$31.3 million (4.2 percent), of which US\$9.4 million was sent to households located in rural areas and US\$21.8million went to households in urban areas.

In comparison to the previous year, there was an increase of 5.7 percentage points in the proportion spent on consumption and a decrease of 7.1 percentage points in the proportion spent on non-consumption activities. This was mainly driven by the decrease of 4.1 percentage points on business related activities.

The summary of the expenditure analysis is shown in Table 11 (on page 19).

Table 11: Use of Cash Transfers (Value)

Use	Amount (Million US\$)	Percent
Consumption	553.2	73.5
General Household Expenses	252.2	33.5
Education	207.5	27.6
Health	64.2	8.5
Social functions	29.3	3.9
Non Consumption	167.8	22.3
Building works	67.3	8.9
Business	56.0	7.4
Land Purchase	28.6	3.8
Farming	14.7	2.0
Savings	1.1	0.1
Transfer to other Household	31.3	4.2
Other Rural Household	9.4	1.3
Other urban Household	21.8	2.9
Totals	752.2	100

Source: Statistics Department, Bank of Uganda

2.8 Personal Transfers In-kind

Households that received items in-kind were asked to declare the items indicating the quantities, the estimated value and description.

Total in-kind transfers for 2014 from the survey returns were estimated at US\$133.7 million. This was a decline of 5.8 percent from the estimated US\$141.9 million in 2013.

2.8.1 Personal Transfers In-Kind by Category and Source Region

The in-kind personal transfers in 2014 were broadly categorized under 5 items namely clothing and foot wear, food, general equipment, household and personal items, transport and communication.

The majority of in-kind items originated from Africa US\$46.9m (or 35.1 percent) followed by Europe and North America with US\$43.5m (or 32.5 percent) and US\$24.5m (or 18.3 percent), respectively.

In addition, the bulk of in-kind personal transfers items were in the category of clothing & foot wear estimated at US\$52.4m (or 39.2 percent) followed by transport and communication valued at US\$43.7m (or 32.7 percent) and food worth US\$17.0m (or 12.7 percent), respectively.

Further break down of in-kind transfers is provided in Table 12 below.

Table 12: In-kind Transfers by Category and Source Region (Value)

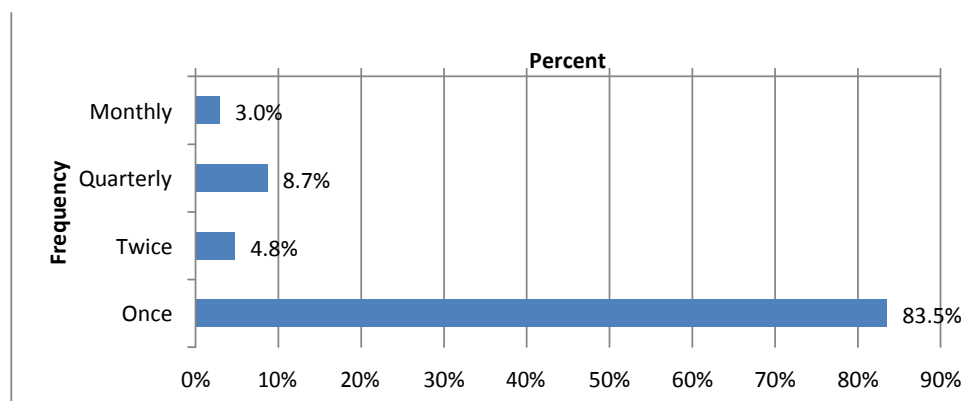
Category of items	Region						Percent
	Africa	Australasia	Europe	Middle East	North America	Grand Total	
Clothing and foot wear	12.1	2.6	18.7	3.8	15.2	52.4	39.2
Food	16.0	0.0	0.0	0.6	0.3	17.0	12.7
General equipment	3.8	0.0	0.7	2.4	0.1	7.1	5.3
Household and personal items	3.8	1.1	6.7	0.1	1.8	13.5	10.1
Transport and communication	11.2	3.2	17.3	4.9	7.1	43.8	32.7
Grand Total	46.9	7.0	43.5	11.8	24.5	133.7	100
Percent	35.1	5.2	32.5	8.9	18.3	100	

Source: Statistics Department, Bank of Uganda

2.8.2 Frequency of In-kind Transfers

For most households (83.5 percent), in-kind items were received only once during the year, as shown in Figure 12 below.

Figure 12: Frequency of In-Kind Transfers



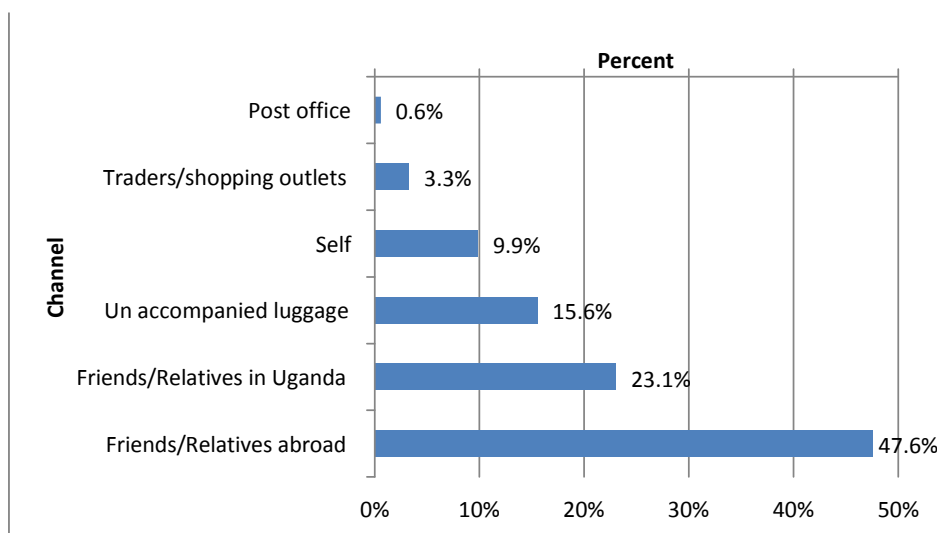
Source: Statistics Department, Bank of Uganda

2.8.3 Channels Used

Channels through which recipient households received in-kind transfers were classified into six (6) categories listed as follows; friends/relatives abroad, friends/relatives in Uganda, unaccompanied luggage, self, post office and traders/shopping outlets.

The most used channel for in-kind transfers was friends/relatives abroad with 47.6 percent followed by friends/relatives in Uganda with 23.1 percent and unaccompanied luggage with 15.6 percent as illustrated in Figure 13 below.

Figure 13: Channels used for In-Kind Transfers



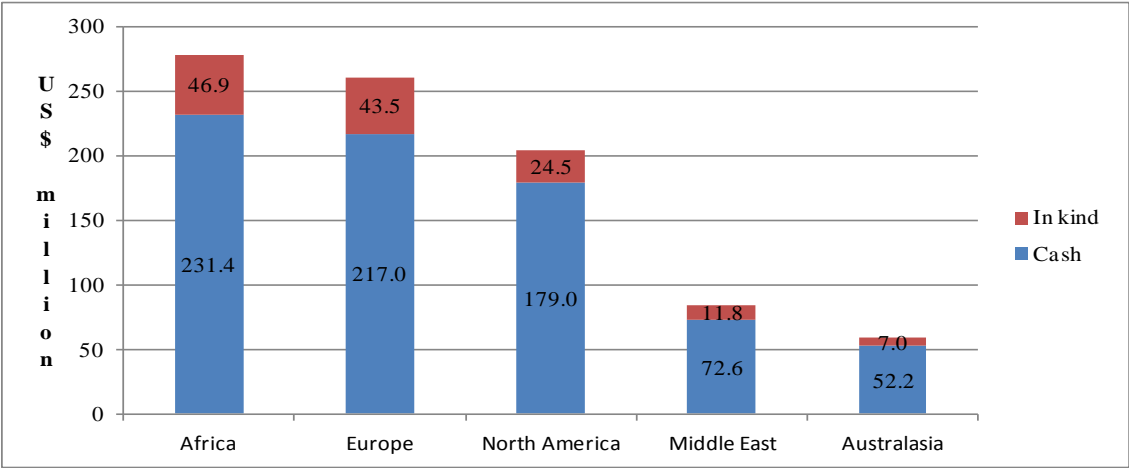
Source: Statistics Department, Bank of Uganda

2.9 Total Personal Transfers

The total personal transfers as shown in Figure 14 comprised of cash transfers and in-kind transfers. Total personal transfers received in 2014 were estimated at US\$885.9 million which is about 3.3 percent of GDP. The amount reflects a decrease of 4.9 percent compared to the US\$931.6 million estimate of 2013.

Africa was the major source of transfers accounting for US\$278.3m or 31.4 percent followed by Europe and North America with US\$260.5m (29.4 percent) and US\$203.5m (23.0 percent) respectively.

Figure 14: Total Personal Transfers



Source: Statistics Department, Bank of Uganda

PART 3: SUMMARY AND CONCLUSION

3.1 Summary of Findings

Personal transfers received in 2014 reflected a decrease of 4.9 percent compared to the US\$931.6 million estimate of 2013. The general characteristics of personal transfers remained largely unchanged from what was registered in previous survey findings i.e. mainly received in cash; the biggest share went to urban areas, most preferred channel was international MTO's and most households received transfers only once during the year. The flow of cash personal transfers remained unchanged with high flows during the festive period and start of academic terms.

However there was a decrease in the share of personal transfers from North America and Europe in favor of Africa. This could be attributed to the high costs of remitting money and the financial distress in these regions compared to Africa. In order of priority, personal transfers were mainly used for general household expenditure, education, building works, health related expenses and business. Personal transfers in-kind were mainly in form of clothing and footwear, transport and communication and food. Remitters were youthful, educated and mostly male.

The 2014 survey re-affirms earlier findings that personal transfers are mainly sent through international MTOs. While most of the remitters make the choice of the transfer channel, the majority of the recipient households are satisfied with the choice. Preference for channels was mainly driven by ease of access.

3.2 Conclusion

A significant segment of the remitting population uses the formal channels although there was an increase in the proportion using informal channels. The increase was mainly attributed to legal and institutional factors impeding the ability of senders and recipients associated with the lack of proper identification.

The use of cash transfers for consumption increased from 67.8 percent in 2013 to 73.5 percent in 2014. The increase in consumption expenditure was mainly at the expense of non-consumption expenditure related to building works, business and land purchase. This could be associated with the reduction in transfers and the increase in the costs associated with both consumer and non-

consumer goods. The non-consumption usage decreased from 29.4 percent in 2013 to 22.3 percent in 2014.

From the survey findings, personal transfers continued to constitute an important source of funding for investment and consumer spending. Policies aimed at easing the transmission of personal transfers through official channels and lowering the cost of transmission need to be pursued especially in view of the improved technological environment.

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Appendices

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Appendix II: Social-Demographic Characteristics of Household Heads

Characteristic	Percent		
	Female	Male	Total
Age in complete Years			
>20	1.1	0.9	2.0
20-29	12.8	14.8	27.5
30-39	9.1	19.3	28.4
40-49	6.4	11.8	18.2
50-59	4.7	7.1	11.8
60-69	2.3	4.3	6.5
70+	2.6	3.1	5.7
Total	38.9	61.1	100
Highest Level of Education			
Attended Primary but did not complete	6.0	3.5	9.5
Completed A' level	4.1	7.0	11.1
Completed O' level	7.7	12.3	20.0
Completed Primary	6.7	11.9	18.6
Degree and above	6.1	15.0	21.1
Don't know	0	0.4	0.4
None	3.5	1.1	4.7
Post-secondary	4.8	9.8	14.6
Total	38.9	61.1	100
Activity Status			
Employer/ Own Account Worker	21.0	35.7	56.7
Full Time student	0.9	1.1	2.0
Not working and not looking work	6.8	2.6	9.4
Others (specify)	0.3	0.7	1.0
Paid Employee	9.2	20.4	29.6
Unpaid Family worker	0.7	0.6	1.3
Total	38.9	61.1	100
Level of monthly Income			
N/A	7.5	3.8	11.3
Less Than Shs. 100,000	4.7	5.0	9.6
Shs. 100,000 - 299,000	10.6	13.5	24.1
Shs. 300,000 - 499,000	8.9	17.2	26.1
Shs. 500,000 - 699,000	3.7	10.2	13.9
Shs. 700,000 - 899,000	1.0	4.7	5.7
Shs. 900,000 and Above	2.4	6.8	9.2
Total	38.9	61.1	100

Appendix III: Up-rating Methodology

Background

The 2014 survey results were used to obtain estimates for both cash and in-kind transfers received during 2014. The computation of total transfers was derived as the sum of both cash and in kind transfers. The estimation procedures described below uses data from various sources namely; the current survey, the survey on inward personal transfers 2013 and the most recent Statistical Abstract 2013. The up-rating methodology and key assumptions are presented in the sections that follow.

Step 1: Computing Average In-kind Transfers Receipts per Household (HH)

Respondents were asked to provide details on the type, quantity and market price of items received in kind. For cases where the respondents didn't know the price of the items, it was imputed based on similar items in the CPI for 2014. For the products that were not in the CPI, imputations were made based on local knowledge of current market prices with respective adjustments to reflect possible prices during 2014.

The data was then used to compute the value of the goods received by multiplying the quantities reported and the derived prices. For respondents who did not report quantities, it was assumed that they received only one item, (i.e. quantity = 1). With the valuation for the in kind transfers derived, a total of all in kind transfers was obtained and using a count of all respondent households to the question on in kind transfers, the average transfers were obtained. From the sample, total in kind transfers received by reporting households amounted to UGX 72,676,328. The count of all households that reported having received in kind transfers during the year was derived as 136.

The average for in kind transfers was estimated as UGX 534,385. (See Table 1).

Table 1: Survey Estimates for In-kind Transfers Receipts in 2014

Number of in kind transfers recipients from the sample (HHs)	136
Total in kind receipts from the sample (UGX)	72,676,328
Average in kind transfers per household (UGX)	534,385

Step 2: Computing Average Cash Transfers Receipts per Household

Based on the data provided by the sample, all responses on cash transfers were summed up to obtain total cash received during 2014. Total cash transfers received by reporting households amounted to UGX 1,705,624,423. In addition, a count of all households that reported having received cash transfers during the year was derived as 583. The average cash transfers received per household during 2014 was computed as UGX 2,925,599 (see Table 2).

Table 2: Survey Estimates for Cash Transfers Receipts in 2014

Number of cash transfers recipients from the sample (HHs)	583
Total cash receipts from the sample (UGX)	1,705,624,423
average cash transfers per household (UGX)	2,925,599

Step 3: Deriving the Number of Recipient Households

The National Population and Housing Census 2014 provided a provisional estimate of the population of Uganda in 2014 as 34,856,813, with the estimated number of households as 7,353,427 and an average household size of 4.7 persons per household. These results provided a growth rate in the number of households between 2013 and 2014 of 3.9 percent. Subsequently, applying this growth rate to the 2013 estimates for households receiving cash and in kind transfers provided the 2014 estimates of 532,171 and 199,346 households, respectively (see Table 3).

Table 3: Estimates for Recipient Households - Cash and In-Kind Transfers in 2014

Population estimate – end-year 2014	34,856,813	
Average household size	4.7	
Estimated number of households	7,353,427	
Estimated number of households in 2013	7,080,000	
Estimated number of households growth rate	3.9 percent	
	Cash	In-kind
Estimated number of recipient households in 2013	512,383	191,933
Estimated number of recipient households in 2014	532,171	199,346

Having derived the average cash and in-kind transfers received per household during 2014 from the survey, and the estimated number of households that received transfers during 2014 as described above, total transfer estimates were computed as follows.

Step 4: Computing Transfers for Household Head

Cash transfers were computed as the product of the average cash transfers received per household and the estimate of all cash transfer recipient households.

Similarly, in-kind transfers were computed as the product of the average value of in kind transfers received per household and the estimate of all in kind transfers recipient households. The totals in Uganda shillings were converted to USD using the average exchange rate for 2014 (see Table 4)

Table 4: Grossed Up Estimates for Cash and In-Kind Transfers in 2014-Household Head

	Cash transfers	In-kind transfers
Estimated number of recipient households	532,171	199,346
Average transfers per household	2,925,599	534,385
Total transfers received (UGX)	1,556,918,418,872	106,527,264,978
Average exchange rate for 2014 ⁶	2,599.79	2,599.79
Total transfers received by Household head (US\$)	598,863,604	40,975,366

Step 5: Computing Transfers for Other Recipients in the Households

Respondents were asked to provide details on the number of other recipients of cash and in kind transfers during 2014 within the household.

Overall, there were 103 cash recipient households which had other recipients totaling to 124. Similarly 46 in-kind recipient households also reported 119 other recipients. Using this information, the average number of other recipients in each household that had more than one recipient was computed as 1 and 3, for cash and in-kind transfers respectively. The proportions of households with other recipients in the population for 2014 were estimated as 21 percent and

⁶ The exchange rate used is derived from applying quarterly average exchange rates to the quarterly distribution of the cash personal transfers received.

88 percent for cash and in-kind recipients respectively. These proportions were applied to the estimated number of recipient households in the population to arrive at an estimate of households in the population with other recipients. These estimates were then used to derive the number of other recipients in the population using the average number of other recipients per household. Finally, the estimate for transfers received by other recipients was computed as the product of the average cash or in-kind transfers received by each household and the estimated number of other recipients for each category of transfers. (See Table 5).

Table 5: Grossed Up Estimates for Other Recipients of Cash and In-kind Transfers in 2014-Other Recipient Household Members

	Cash transfers	In-kind transfers
Number of Households with other recipients	103	46
Number of recipients in household	124	119
Average of recipients per household	1	3
Estimated proportion of HHs with other recipients	21 percent	88 percent
Average received per person in the household ⁷	2,925,599	534,385
Estimated number of other recipients	136,266	451,236
Total transfers received by other recipients (UGX)	398,660,720,554	241,133,727,518
Average exchange rate for 2014	2,599.79	2,599.79
Total transfers received by other recipients (US\$)	153,343,549	92,751,304

Step 6: Computing Total Transfers

The total transfers were computed as a sum of the transfers for household head and transfers for other recipients.

Table 6: Grossed Up Estimates for Total Transfers (Cash and In-kind) in 2014

	Cash transfers	In kind transfers
Transfers received by household head (UGX)	1,556,918,418,872	106,527,264,978
Transfers received by other recipients (UGX)	398,660,720,554	241,133,727,518
Total transfers received (UGX)	1,955,579,139,426	347,660,992,496
Average exchange rate for 2014	2,599.79	2,599.79
Total transfers received (US\$)	752,207,153	133,726,670
The total transfers from the estimates amounted to UGX 2,303,240,131,922 or US\$ 885,933,822 .		

⁷ It was assumed that each recipient received on average an equal amount the household head.

